

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Alicia C. Minter, Director
Recreation Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 21, 2010

RE: 2010-2011 Budget Analysis

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Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, April 23, 2010 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Donna McAlister, Budget Department
Norman White, Chief Financial Officer
Kamau Marable, Mayor's Office

Recreation (39)

FY 2010-11 Budget Analysis by the Fiscal Analysis Division

The Recreation Department is a General Fund agency. The recommended 2010-11 budget is \$22.7 million, or \$2.16 million (8.6%) less than the current year's budget. The recommended net tax cost is \$21.3 million, which is \$1.7 million (7.43%) less, than the current fiscal year.

In the 2009-10 FY, the Mayor reduced the Recreation Department's capital program from \$1 million to zero. The zero balance for capital expenditures remains unchanged for FY 2010-11 for the Recreation Department

In the 2010-11 FY, the Recreation Department will receive \$5.8 million from the Casino Percentage Payment.

2009-10 Surplus/(Deficit)

For the Recreation Department, the Administration anticipates a net surplus of \$3.34 million for the current fiscal year. The department's projected surplus is due primarily to an appropriation surplus of \$3.27 million due to departmental vacancies and lower costs associated with seasonal employees and overtime, in addition to a small revenue surplus of \$68,327.

Overtime

The department has a 2009-10 overtime budget of \$263,300. As of March 31, 2010, the department has expended \$95,481 (36.26%) on overtime. The recommended overtime budget for 2010-11 is \$181,837, a \$135,000 (30.94%) reduction from the current fiscal year.

Personnel and Turnover Savings

The Mayor recommends a net reduction of 20 positions to the overall number of positions for the department.

The 20 net reductions in positions in the 2010-11 FY include the transferring of four positions to the General Services Department in the 2010-11 FY.

The Mayor recommends no turnover savings in 2010-11.

The following is information by appropriation comparing current FY 2009-10 filled positions, and FY 2010-11 recommended positions, as of March 31, 2010.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2009- 10</u>	<u>Filled Positions 3/31/2010</u>	<u>Mayor's Budget Positions FY 2010- 11</u>	<u>Over/(Under) Actual to 09/10 Budget</u>	<u>Mayor's Recommended Turnover</u>
Recreation (39):					
00905 1994-Capital Improvements	0	0	0	0	\$ -
11654 Adult Day Care Grant 2006	0	0	0	0	\$ -
11656 Recreation Management	12	8	8	(4)	\$ -
395155 Butzel Family Center	1	1	1	0	\$ -
395165 Recreation Camp	0	0	0	0	\$ -
395175 Security	0	0	0	0	\$ -
395180 Administration Support Unit	2	2	2	0	\$ -
395185 Rogell Golf Course	0	0	0	0	\$ -
395190 Henderson Marina	4	2	4	(2)	\$ -
11657 Business Operations & Support Srv.	7	5	7	(2)	\$ -
395200 Landscape Design Unit	6	4	0	(2)	\$ -
395210 Strategic Planning & Grants	1	1	0	0	\$ -
11658 Planning, Design & Const. Mgmt.	7	5	0	(2)	\$ -
395300 Buildings & Ground Maintenance	0	4	0	4	\$ -
395310 Ground Maintenance	0	0	0	0	\$ -
395320 Seasonal Ground Maintenance	0	0	0	0	\$ -
395330 Building Repair & Improvements	0	0	0	0	\$ -
395333 Forestry	0	0	0	0	\$ -
395335 Vacant Lots	0	0	0	0	\$ -
395340 Forestry Administration	0	0	0	0	\$ -
395360 Nursery	0	0	0	0	\$ -
395370 Floriculture	0	0	0	0	\$ -
11659 Buildings & Ground Maintenance	0	4	0	4	\$ -
395400 Huber Facility	0	0	0	0	\$ -
395410 Huber Storeroom	0	0	0	0	\$ -
11660 Huber Facility & Storeroom	0	0	0	0	\$ -
395500 Forestry Operations Administration	0	0	0	0	\$ -
395510 Forestry Operations	0	0	0	0	\$ -
395520 Nursery	0	0	0	0	\$ -
395530 Floriculture	0	0	0	0	\$ -
11661 Forestry Operations	0	0	0	0	\$ -
395605 Building Operations	0	0	0	0	\$ -
395610 North Building Operations	0	0	0	0	\$ -
395620 South Building Operations	0	0	0	0	\$ -
395630 East Building Operations	0	0	0	0	\$ -
395640 West Building Operations	0	0	0	0	\$ -
395650 Roving Cleaning Crew	0	0	0	0	\$ -
11662 Building Operations	0	0	0	0	\$ -
395700 Recreation Operations Administration	7	0	6	(7)	\$ -
395705 Recreation Operations	132	0	126	(132)	\$ -
395707 Rec Operations-Summer Only-Motto	0	0	0	0	\$ -
395710 North Recreation Operations	0	184	0	184	\$ -
395720 South Recreation Operations	0	0	0	0	\$ -
395730 East Recreation Operations	0	0	0	0	\$ -
395740 West Recreation Operations	0	0	0	0	\$ -

11163 Recreation Operations	139	184	132	45	\$	-
395800 Special Programs	0	0	0	0	\$	-
395810 Special Services	0	0	0	0	\$	-
395820 Physically Challenged Program	0	0	0	0	\$	-
395830 Athletic Office	0	0	0	0	\$	-
395840 After School Program	0	1	0	1	\$	-
11164 Programming	0	1	0	1	\$	-
395900 Belle Isle Operations Administration	6	3	6	(3)	\$	-
395910 Forestry Operations	0	0	0	0	\$	-
395920 Ground Maintenance	0	0	0	0	\$	-
395930 Seasonal Ground Maintenance	0	0	0	0	\$	-
395940 Building Operations	0	0	0	0	\$	-
395950 Recreation Operations	4	0	2	(4)	\$	-
395957 BI Rec Oper-Summer Only-Motor City	0	0	0	0	\$	-
395960 Detroit Boat Club	0	0	0	0	\$	-
11665 Belle Isle Operations	10	3	8	(7)	\$	-
11166 Youth	1	0	0	(1)	\$	-
11167 Eastern Market	0	0	0	0	\$	-
12141 Historic Fort Wayne	2	2	2	0	\$	-
12147 Senior Citizens Advocacy	0	0	0	0	\$	-
12149 Outreach & Assistance	0	0	0	0	\$	-
12150 Consumer Advocacy	0	0	0	0	\$	-
39XXXX PART-TIME EMPLOYEES	0	0	0	0	\$	-
12915 Recreation Block Grant 2010	0	0	0	0	\$	-
13174 Strategic Planning & Grants	0	0	1	0	\$	-
39XXXX Leave of Absence	0	5	0	5	\$	-
39XXXX Worker's Comp.	0	(4)	0	(4)	\$	-
39XXXX Unmatched Positions	<u>0</u>	<u>7</u>	<u>0</u>	<u>7</u>	<u>\$</u>	<u>-</u>
TOTAL	<u>178</u>	<u>220</u>	<u>158</u>	42	<u>\$</u>	-

Significant Funding by Appropriation

Appro. Program

11656	Recreation Management	This appropriation decreases by \$402,076 (30%) in the 2010-11 FY. This is due primarily to a \$265,990 decrease in salaries & wages, a \$128,586 decrease in benefits and a \$7,500 reduction, due to the elimination of in training-tuition reimbursement funding.
13174	Strategic Planning & Grants	This new appropriation of \$87,479 for the 2010-11 FY, results from the transfer of the cost and one fte (full time equivalent employee) from org 395210 Strategic Planning & Grants of \$88,857 (under appropriation 11658 Planning, Design & Construction), from the 2009-10 FY.

11657	Business Operations & Support Services	This appropriation of \$8.24 million increases slightly by \$49,582 in the 2010-11 FY. The increase is due primarily to an \$183,566 increase in org 395192 Henderson Marina Summer Only, a \$40,000 increase in org 395198 Chene Park and slight increases in other orgs, offset by a \$179,297 decrease in org 395180 Administration Support Unit and by slight decreases in other orgs.
11667	Eastern Market	This appropriation of \$220,670 remains unchanged in the 2010-11 FY.
12701	Recreation-Northwest Activity Center	This appropriation of \$165,000 increases by \$55,000 in the 2010-11 FY, to \$220,000, thereby restoring the NWAC to its 2008-09 funding level of \$220,000.
11658	Planning, Design & Construction	This appropriation is eliminated in the 2010-11 FY. The majority of this appropriation's costs and 6 fte's, \$584,806 org 11658 Landscape Design Unit, transfer over to the General Services Department. The remaining costs for one fte in org 395210 Strategic Planning & Grants of \$88,857 transfer to the Recreation Department's new appropriation, 13174 Strategic Planning & Grants in FY 2010-11.
11663	Recreation Operations	This appropriation decreases by \$770,542 in the 2010-11 FY. The decrease is due primarily to a \$929,988 reduction in org 395705 Recreation Operations, due primarily to the loss of 6 positions; a \$307,915 reduction in org 395700 Recreation Operations Administration, comprised primarily of a \$230,000 reduction in Major Repairs-buildings. in org 395707 Rec Operations-Summer Only.
11666	Youth	This appropriation of \$115,685 is eliminated and reduced to zero in the 2010-11 FY and transfers over to the Department of Health and Wellness Promotion (DHWP).
12809	2009-10 Dreaming While Achieving	This grant appropriation of \$215,000 is eliminated and reduced to zero in 2010-11 FY and transfers over to DHWP.
12810	2010-11 S.A.F.E.T.Y.	This grant appropriation of \$152,725 in 2009-10 is reduced to zero in the 2010-11 FY and transfers over to DHWP.
12811	2010-11 S.A.F.E.T.Y. Local	This grant appropriation of \$16,969 in 2009-10 FY is reduced to zero in the 2010-11 FY and transfers over to DHWP.

13118	2010-11 Mini Grant Administration	This grant appropriation renamed for accounting purposes from 12806 2009-10 Mini Grant Administration and budgeted at \$18,200 in 2010-11.
13119	2010-11 Minigrants Program	This grant appropriation is renamed for accounting purposes from 12808 Minigrants Program and budgeted at \$61,400 in 2010-11.
13120	2011 National Arts Program Awards	This grant new grant appropriation is budgeted at \$2,400 in the 2010-11 FY.
11665	Belle Isle Operations	This appropriation decreases by \$77,527 in the 2010-11 FY.
12141	Historic Fort Wayne	This appropriation budgeted at \$315,125 in the 2009-10 FY, increases by \$32,665 to \$347,790 in the 2010-11 FY, due primarily to \$29,000 in utilities increases and slight benefits increases.

Significant Revenue Changes by Appropriation and Source

Appro. Program

11656	Recreation Management	This revenue budgeted at \$495,000 in the 2010-11 FY, decreases by \$137,866; due primarily to a \$144,996 decrease in Miscellaneous Rentals, offset by a \$5,000 increase in Miscellaneous Receipts and a \$2130 increase in Miscellaneous Concession-East Side.
11657	Business Operations & Support Services	This revenue appropriation decreases by \$24,000, due to anticipated reductions in Butzel Family Center revenue of \$34,000 (40%), offset by an anticipated \$10,000 increase in Chene Park revenue.
11663	Recreation Operations	This revenue of \$60,000 in the current fiscal year decreases by \$10,000, to \$50,000 in 2010-11.
11665	Belle Isle Operations	This revenue increases by \$98,000 in the 2010-11 FY, due primarily to a corresponding \$98,000 increase in Belle Isle Operations Administration.
12141	Historic Fort Wayne	This revenue budgeted at \$72,000 in the 2009-10 FY, increases by \$5,000 to \$77,000 in the 2010-11 FY, due to a corresponding \$5,000 in newly realized Parking Facilities Revenue.

Recreation Department (39)

Budgeted Professional and <u>Contractual Services by Activity</u>	FY 2009-10 <u>Budget</u>	FY 2010-11 <u>Recommended</u>	Increase <u>(Decrease)</u>
Administration	\$ 60,000	\$ 60,000	\$ -
Business Operations	256,500	448,500	192,000
Planning, Design & Construction	-	-	-
Recreation Operations	125,000	125,000	-
Youth Services	384,694	-	(384,694)
Programming	79,600	82,000	2,400
Belle Isle Operations	72,000	72,000	-
Historic Fort Wayne	-	-	-
Capital Projects-Bonds	-	-	-
Total	<u>\$ 977,794</u>	<u>\$ 787,500</u>	<u>\$ (190,294)</u>

Professional and contractual services for the Recreation Department decrease by \$190,294 (19.46%) in the 2010-11 fiscal year. The \$190,294 decrease is due primarily to the elimination of \$384,694 for the cost of Youth Services, offset by increases of \$192,000 in Business Operations and \$2,400 in Programming.

Issues and Questions**Pg 39-6 MAJOR INITIATIVES FY 2009-10**

The first initiatives states that the department will continue to work with the General Services Department (GSD) to ensure that Recreation Department needs are effectively addressed.

- Several citizens have complained to Council, however, that the recreation centers haven't been adequately maintained for cleanliness. What are the challenges in maintaining this objective? Have GSD's cleaning schedules presented a problem in maintaining the daily care for recreation centers?

Pg 39-10 PLANNING DESIGN & CONSTRUCTION MANAGEMENT DIVISION

This division's activity transfers over to the General Services Department (GSD), specifically the Landscape and Design Unit.

- Please detail how the transfer of the Landscape and Design Unit to GSD will impact the day to day activities of the department.
- Will the activities of the Strategic Planning & Grants section continue to operate at the same capacity under its newly established appropriation in 2010-11?

39-14 PLANNING FOR THE FUTURE FOR FY 2010-11, 2011-12 and BEYOND

This section indicates that the 2010-11 FY budget includes \$6 million in (Casino) funding for summer seasonal staff and capital/maintenance projects at the recreation centers.

The Recreation Department's Casino fund share was \$8 million in the 2008-09 FY and \$6 million in the current 2009-10 fiscal year, a 25% reduction.

- **How much of the department's \$6 million 2010-11 FY share of the Casino funding will department allocate for summer seasonal staff and capital/maintenance projects at the recreation centers?**
- The new Farwell Recreation Center has opened without a constructed pool or gym. The department has indicated that plans to include a pool and gym are coming with another phase of construction. What are the department's plans in regard to adding these amenities to Farwell? Can the Casino funds be used for this project?
- What specific capital projects were included in the current fiscal year for capital/maintenance projects? How many were completed and how many are yet to be finished?

Pg 39-17 RECREATION OPERATIONS MEASURES AND TARGETS

The targets for the two activities detailed below are expected to increase, Average center quarterly attendance by 300 and Participants in Learn to Swim by 200 (25%).

- What is the department's rationale for the targeted increases for the 2010-11 FY?

Fiscal Year	2009-10 Projection	2010-11 Target
Average center quarterly attendance	13,000	16,000
Participants in Learn to Swim	800	1,000

- The Recreation has moved its administrative offices from the Cadillac Tower to the Norwest Activities Center as a cost savings measure. Has the department realized an annual cost savings? If so, how much? If not, why?

Recreation Department's Strategic Master Plan

The Strategic Master Plan included condition and capacity reports for both the Recreation Department's parks and recreation centers. The report indicated the following: of the department's 308 parks, 153 are in fair condition (49.7%), 124 are in poor condition (40.2%) and 33 are in good condition (10.7%). In addition, a majority of the parks do not have sufficient improvements for their park classification and recreation function. In regard to the Recreation Centers, the department reported that of its 21 open recreation centers nine (9) were closed in January 2006), nine (9) are open and in good condition (42.9%), five (5) are in fair condition (23.8%), and seven (7) are in poor condition (33%)

- How have these conditions changed since the release of this report?
- In past years the department has stated it will "re-evaluate" its closed centers to determine the feasibility of reopening some of them. How many of the department's closed recreation centers may be slated to potentially reopen?

Please provide a list of all fees and charges made by the Recreation Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Please indicate when the department's fees or charges were last reviewed by study. If the fees were included in the study what was the recommendation? Has the recommendation been implemented? If not, please provide an explanation of why the recommendation was not implemented?

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, please identify what the activities are.

- It appears the Recreation Department's "Partners" accounts may fit the category indicated above. Is this correct? If so, please indicate how many of these accounts exist and describe these accounts in detail.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? If so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

Is the Recreation Department eligible for any stimulus funding? If so, what is the department's status in this regard?

Are there changes to the Charter that would improve your department's efficiency?

IC:DH